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Secret CIA Report On Bomber Deal Revealed in Court

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BUFFALO, N.Y. The Central Intelligence Agency had evaluated but essentially accurate information on a plan to export bombers to Portugal four days before the first plane took off, a secret CIA report made public in a federal courtroom here yesterday seemed to contradict the assurance given by a U.S. spokesman in the United Nations on Dec. 18, 1965 that the shipment of planes was done "without the knowledge of the United States government."

In an extremely rare move, Lawrence R. Houston, general counsel of the CIA, appeared in court here under subpoena from one of the two men on trial for smuggling seven B-26 bombers to Portugal. Houston brought with him what he said was the CIA's complete file on the case. Four CIA reports on the plane shipment were examined by Federal District Judge John O. Henderson in his chambers and then made available to defense counsel after they had been censored to remove information about the CIA's sources and methods of obtaining the information.

Before court adjourned for the weekend, however, only one of the four secret reports was entered into evidence.

Houston said the first information on the operation was received from Lisbon on May 23, 1965—four days before the first flight took off—and was distributed on June 10 in a "Intelligence Information Cable" to the following agencies: State Department intelligence section; Defense Intelligence Agency; Army, Navy and Air Force intelligence; Joint Chiefs of Staff; secretary of defense; National Security Agency; Agency for International Development, the U.S. Information Agency and five CIA offices.

The Cable

"Portugal," the cable said, "has purchased about 20 B26 aircraft from a private firm which is represented in Lisbon by Count Antoine de Beaumont. The planes are flown from a base in Texas to Canada where they are modified for extra fuel tanks to fly the Atlantic via an unknown refueling base. The planes are then flown to Switzerland where they are ostensibly

distributed, only one plane had reached Tancos. Otherwise, the CIA report still appears essentially accurate.

Under questioning by Hawke's attorney, Edwin Marger of Miami Beach, Houston said the initial report on the plane shipment "was considered important information for the appropriate agency"—but that agency was not the CIA. He was not asked yesterday which agency should have been concerned.

Hawke has contended since the time of his arrest more than a year ago that he was convinced that he was working for the U.S. government as part of a CIA-sponsored plan to provide the Portuguese with ground-attack aircraft for use in Africa.

In December, after an article on the case had appeared in a British newspaper, a Hungarian delegate to the United Nations charged that the United States had secretly arranged the plane shipment to Portugal.

In reply, Mrs. Eugenie Anderson, a U.S. permanent representative to the United Nations, said the planes had been "illegally exported from the United States in violation of United

without the knowledge of the United States government."

The dilemma of the government in handling the plane-smuggling case has become increasingly apparent in Judge Henderson's sixth-floor courtroom in the federal office building here.

The government had promised in the United Nations that the case would be vigorously prosecuted. But opening up the CIA files may make it more difficult to prove the case against Hawke and, perhaps, De Montmarin.

On the other hand, the government feared that if the CIA relied on executive privilege to keep its files from being made public, the case might end in a mistrial.

In the end, it was decided to permit Houston to be called as a defense witness for Hawke rather than as a prosecution witness.

As yesterday's court session ended, Marger—holding a copy of the book, "The Invisible Government," in his hand—was attempting to learn from Houston whether the CIA had been authorized by the National Security Council to carry out clandestine operations only if they are "secret and plausibly deniable."

Judge Henderson recessed the trial until 9:30 a.m. Tuesday before Houston was required to answer the question.

In another case being heard in a Baltimore federal court, the CIA has made available a directive it received from the National Security Council. But the CIA has insisted that the document not be shown to the plaintiff in the case, who is suing a CIA agent for slander for calling him a "Soviet intelligence operative." His lawyers have refused to examine the document.